

AMENDED IN SENATE AUGUST 7, 2006

AMENDED IN SENATE AUGUST 22, 2005

AMENDED IN SENATE JUNE 22, 2005

AMENDED IN ASSEMBLY MAY 27, 2005

AMENDED IN ASSEMBLY APRIL 12, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

## ASSEMBLY BILL

**No. 1643**

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**Introduced by Assembly Member Jones**

February 22, 2005

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An act relating to public employee benefits.

### LEGISLATIVE COUNSEL'S DIGEST

AB 1643, as amended, Jones. Public employees: long-term care.

The Public Employees' Long-Term Care Act authorizes the Board of Administration of the Public Employees' Retirement System to contract with carriers offering long-term care insurance plans. Active and retired members and annuitants of specified counties and public agencies, and certain relatives of those individuals, are authorized to enroll in those long-term care insurance plans if they meet eligibility and underwriting criteria.

This bill would require the ~~Board of Administration of the Public Employees' Retirement System, in cooperation with the California Health and Human Services Agency~~ *California Institute on Human Services at Sonoma State University, with assistance from the Board of Administration of the Public Employees' Retirement System*, to contract with an ~~independent firm or~~ organization experienced in

disability policy and demographic research to conduct a study concerning long-term care, as specified, and submit a report on the study to the Legislature by ~~March~~ December 31, 2008.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. ~~The Board of Administration of the Public~~  
2 ~~Employees' Retirement System, in cooperation with the~~  
3 ~~California Health and Human Services Agency, (a) The~~  
4 ~~California Institute on Human Services at Sonoma State~~  
5 ~~University shall contract with an independent firm or~~  
6 ~~organization experienced in disability policy and demographic~~  
7 ~~research to conduct a study that does to determine the feasibility~~  
8 ~~of expanding the long-term care insurance program offered~~  
9 ~~through the Public Employees' Retirement System pursuant to~~  
10 ~~Section 21661 of the Government Code, to provide coverage to~~  
11 ~~additional public employees and recent retirees with disabilities.~~  
12     ***(b) The Board of Administration of the Public Employees'***  
13 ***Retirement System shall assist the California Institute on Human***  
14 ***Services in conducting the study by doing all of the following:***  
15     ***(1) Modifying the application form for the long-term care***  
16 ***insurance program to ask individuals applying for coverage after***  
17 ***January 1, 2007, if they are willing to consent to allow the board***  
18 ***to share data provided on their application with state agencies or***  
19 ***universities conducting research on ways to improve long-term***  
20 ***care insurance coverage, policies, and procedures.***  
21     ***(2) Provide to the California Institute on Human Services or***  
22 ***its contractor information supplied by applicants who are public***  
23 ***employees or retirees and who grant consent pursuant to***  
24 ***paragraph (1).***  
25     ***(3) Work with the California Institute on Human Services to***  
26 ***agree upon a method by which the contractor selected by the***  
27 ***institute shall survey public employees and retirees denied***  
28 ***coverage by the long-term care insurance program prior to the***  
29 ***effective date of this act; provided that the Committee for the***  
30 ***Protection of Human Subjects within the California Health and***  
31 ***Human Services Agency finds that the procedure complies with***  
32 ***the Health Insurance Portability and Accountability Act of 1996***

1 *(P.L. 104-191) and other applicable laws protecting*  
2 *confidentiality of health-related data. The method selected shall*  
3 *be designed to minimize the workload for the staff of the board*  
4 *while providing the contractor with the ability to survey an*  
5 *adequate number of individuals at a reasonable cost.*

6 *(c) In conducting the study, the institute and the selected*  
7 *contractor shall do all of the following:*

8 ~~(a) Requires that any person~~

9 *(1) Survey public employees and retirees denied long-term*  
10 *care coverage due to eligibility or underwriting criteria after*  
11 *January 1, 2006, be asked to complete a questionnaire designed,*  
12 *who agree to participate, to determine whether he or she they*  
13 *would be interested in participating in a proposed pilot project*  
14 *the long-term care insurance program, given various possible*  
15 *premium levels and possible restrictions on benefits. Reasonable*  
16 *efforts shall be made to notify persons denied coverage prior to*  
17 *January 1, 2006, about the study and provide them with the*  
18 *opportunity to complete the questionnaire. The institute shall*  
19 *determine the number of individuals to be surveyed to permit the*  
20 *study to yield valid and reliable results.*

21 ~~(b) Specifies that the questionnaire also ask~~

22 *(2) Ask potential participants questions designed to gather*  
23 *information necessary for the study, including, but not limited to,*  
24 *whether they currently use personal care, whether they would do*  
25 *so immediately if provided coverage, or whether they reasonably*  
26 *expect to do so at various future intervals.*

27 ~~(e) Requires the Public Employees' Retirement System and~~  
28 ~~the California Health and Human Services Agency, jointly, to~~  
29 ~~establish~~

30 *(3) Establish a task force to meet at least quarterly and advise*  
31 *them the institute and the contractor on conduct of the study,*  
32 *questions to be included in the questionnaire, and preparation of*  
33 *a report to the Legislature. The task force shall include*  
34 *representatives of the Board of Administration of the Public*  
35 *Employees' Retirement System, the California Health and*  
36 *Human Services Agency, organizations of public employees with*  
37 *disabilities, organizations focusing on improving employment*  
38 *opportunities for persons with disabilities, experts on disability*  
39 *demographics and the long-term care needs of persons with*  
40 *disabilities, retirees, unions, and other interested parties.*

1 ~~(d) Requires that the report be submitted~~

2 (4) *Submit a report to the Legislature by March December 31,*  
3 *2008, and include all of the following elements:*

4 ~~(1)~~

5 (A) The results of the survey of potential participants.

6 ~~(2)~~

7 (B) The expected costs of providing coverage without  
8 underwriting criteria.

9 ~~(3)~~

10 (C) The feasibility and desirability of various options,  
11 including, but not limited to, charging increased premiums for  
12 enrollees not subject to underwriting and imposing increased  
13 waiting periods for those not subject to underwriting.

14 ~~(4)~~

15 (D) A proposal for a program that would maintain the  
16 financial stability of the plan while balancing the need to cover  
17 the maximum number of individuals with the fewest restrictions  
18 on coverage with the need to minimize increased premiums for  
19 those receiving the expanded coverage and for other enrollees.

20 ~~(5)~~

21 (E) The extent to which the proposal might result in savings to  
22 public benefit programs by encouraging persons with disabilities  
23 to go to work, and eliminating the need for those persons to  
24 deplete assets to qualify for public benefits in order to obtain  
25 long-term care coverage after retirement.

26 ~~(6)~~

27 (F) Other options for ensuring that persons now excluded from  
28 the long-term care insurance plan are able to obtain long-term  
29 services when needed and are not discouraged from seeking  
30 employment in order to continue receiving public benefits.

31 *(d) The California Institute on Human Services shall only be*  
32 *required to undertake and complete the study through funds*  
33 *available from federal Medicaid Infrastructure Grant Number*  
34 *91949, and not through a General Fund appropriation. The use*  
35 *of these funds for this purpose is appropriate for the federal*  
36 *Medicaid Infrastructure Grant objective, and consistent with*  
37 *California's comprehensive strategy for the employment of*

- 1 *people with disabilities, as set forth in Chapter 1088 of the*
- 2 *Statutes of 2002.*

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